

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

FACT SHEET

APPROVAL OF A NEW DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT WITH TESSIE CLEVELAND COMMUNITY SERVICES CORPORATION FOR FISCAL YEARS 2006-07, 2007-08, 2008-09 AND 2009-10 (SUPERVISORIAL DISTRICT 2)

REQUEST

1. Approve and authorize the Director of Mental Health or his designee to prepare, sign, and execute a new Department of Mental Health (DMH) Legal Entity (LE) Agreement and future amendments with Tessie Cleveland Community Services Corporation (Tessie Cleveland CSC) to provide the program currently known as Special Service for Groups (SSG) South Los Angeles Family Center, effective December 1, 2006. The new LE Agreement will include the portion of the Augustus F. Hawkins/Tessie Cleveland CSC/SSG Children's Collaborative (A/T/S Children's Collaborative), currently provided by Tessie Cleveland CSC through its subcontract with SSG. For Fiscal Year (FY) 2006-07, the annualized Maximum Contract Amount (MCA) of \$5,567,200 for the new Agreement has been prorated to a seven (7) month amount of \$3,247,600, and is fully funded by \$1,603,209 in Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Federal Financial Participation (FFP) Medi-Cal, \$1,310,462 in EPSDT-State General Funds, \$13,300 in Non EPSDT-FFP, and \$320,629 in Sales Tax Realignment funds which is included in DMH's FY 2006-07 Adopted Budget. The term of this new LE Agreement will be effective December 1, 2006 for FY 2006-07, with three (3) automatic one-year renewal periods.
2. Authorize the inclusion of conditions for the use of space in the Tessie Cleveland CSC LE Agreement to enable Tessie Cleveland CSC to maintain the program at that site, free-of-charge, for program continuity and in consideration of the vital and unique mental health services provided by this program to children and their families in a significantly underserved area of the County pending a subsequent Board action to sell the County-owned facility located at 8019 Compton Avenue, Los Angeles, CA 90001. This provision only becomes inoperative when the County sells the property.
3. Authorize a three (3) month cash flow advance for Tessie Cleveland CSC, effective December 1, 2006, not to exceed one-seventh of the program's FY 2006-07 funding, or \$463,900 per month.

PURPOSE/JUSTIFICATION

The purpose of the recommended actions is to establish a new LE Agreement with Tessie Cleveland CSC. As approved by your Board on November 29, 2005, Tessie Cleveland CSC has been a subcontractor of SSG for the South Los Angeles Family Services Program (SLAFSP) under the existing DMH contract with SSG since December 1, 2005. In addition, since May 2006, the Department has contracted with SSG to provide the A/T/S Children's Collaborative. Both programs are located at 8019 Compton Avenue, Los Angeles, CA 90001, in Supervisorial District 2 and Service Area 6 (SA 6). An Agreement with Tessie Cleveland CSC will enable the agency to directly provide these programs. This is in accordance with the plan approved by your Board on November 29, 2005 for SSG to "incubate" Tessie Cleveland CSC in order to promote the development of "grass-roots" local community providers and, specifically, to prepare the agency to become a new mental health provider when clinically, administratively and fiscally able to do so.

It is now the consensus of DMH and the involved parties that the subcontracting/incubation process has gone well and that Tessie Cleveland CSC is clinically, administratively and fiscally prepared to manage the SLAFSP and its portion of the A/T/S Children's Collaborative.

Additionally, Tessie Cleveland CSC's successful subcontract/incubation period will serve as qualifying experience under any Departmental Request for Statement of Qualifications, including those pertaining to the Mental Health Services Act, Enhanced Specialized Foster Care Mental Health and Intensive In-Home Mental Health Services.

The requested cash flow advance will enable Tessie Cleveland CSC to meet operating expenses during this period of transition and pending receipt of State and EPSDT-FFP revenue.

BACKGROUND

The Department has contracted with SSG for the SLAFSP, with Tessie Cleveland CSC as its subcontractor since December 1, 2005. Under Tessie Cleveland CSC, the SLAFSP will continue to serve children, adolescents, and families in SA 6, with a non-traditional, community-based services model. The program accepts referrals from other mental health services providers, the

Department of Public Social Services and Children and Family Services, school districts, and other family service agencies.

SSG has agreed to a voluntary reduction of its MCA in the annual amount of \$5,567,200, prorated at \$3,247,600 for FY 2006-07. This reduction will be accomplished by an amendment under delegated authority and will be effective November 30, 2006. Both parties have agreed that the contingency fund for repayment of potential audit exceptions that is currently maintained by SSG will become a receivable account for Tessie Cleveland CSC. Accordingly, Tessie Cleveland CSC will assume liability for any past, current and future audit exceptions. The Department anticipates no disruption in services or in current program personnel.

CONTRACTING PROCESS

On August 14, 2006, a Board memo was sent regarding Notification of Successful Incubation of a Proposed New Mental Health Services Provider with Tessie Cleveland CSC to comply with the Chief Administrative Officer's contracting policy requirements.

MJS:JA:CK:CL